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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-978]

High Pressure Steel Cylinders from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that producers and/or exporters subject to this administrative review received countervailable subsidies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Nicholas Czajkowski, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1395.

SUPPLEMENTARY INFORMATION:

Background

On June 1, 2018, Commerce published a notice of opportunity to request an administrative review of the countervailing duty order on high pressure steel cylinders from the People's Republic of China (China) for the period of review January 1, 2017 through December 31, 2017.¹ On June 28, 2018 and June 29, 2018, we received review requests from Norris

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 83 FR 25429 (June 1, 2018).

Cylinder Company (the petitioner) and Beijing Tianhai Industry Co., Ltd. (BTIC).² We published a notice of initiation for this administrative review on August 10, 2018.³ We exercised our discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.⁴ The revised deadline for the preliminary results of this administrative review thus became April 11, 2019. On March 14, 2019, we postponed the deadline for issuing the preliminary results of this administrative review until August 9, 2019.⁵ For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.⁶

A list of topics discussed in the Preliminary Decision Memorandum is provided in the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

² See Petitioner's Letter, "High Pressure Steel Cylinders from the People's Republic of China: Request for Administrative Review and Entry of Appearance," dated June 28, 2018; *see also* BTIC's Letter, "Request for the Sixth Administrative Review of the Countervailing Duty Order on High Pressure Steel Cylinders from the People's Republic of China, C-570-978 (POR: 01/01/17-12/31/17)," dated June 29, 2018.

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 39688 (August 10, 2018).

⁴ See Memorandum, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁵ See Memorandum, "High Pressure Steel Cylinders from the People's Republic of China: Extension of Time Limit for Preliminary Results of the Countervailing Duty Administrative Review; 2017," dated March 14, 2019.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of 2017 Countervailing Duty Administrative Review of High Pressure Steel Cylinders from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

The merchandise subject to the order is seamless steel cylinders designed for storage or transport of compressed or liquefied gas (high pressure steel cylinders). The high pressure steel cylinders subject to the order are currently classifiable under subheadings 7311.00.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS) and may also enter under HTSUS subheadings 7311.00.00.60 or 7311.00.00.90. While the HTSUS subheadings are provided for convenience and customs purposes, the written description is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.

Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution by an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.⁸

In making these findings, we relied, in part, on facts available, and because we find that the Government of China (GOC) did not act to the best of its ability to respond to our requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁹ For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

⁷ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁸ A list of topics discussed in the Preliminary Decision Memorandum can be found in the appendix to this notice.

⁹ *See* sections 776(a) and (b) of the Act.

Preliminary Results of the Review

We preliminarily find that the following net countervailable subsidy rate exists for the mandatory respondent, BTIC, for the period of review January 1, 2017 through December 31, 2017:

Company	Subsidy Rate <i>Ad Valorem</i>
Beijing Tianhai Industry Co., Ltd. ¹⁰	30.62 percent

Assessment Rates

Upon issuance of the final results of this administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, we also intend, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above for BTIC, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

¹⁰ As discussed in the Preliminary Decision Memorandum, we have found the following companies to be cross-owned with BTIC: Tianjin Tianhai High Pressure Container Co., Ltd.; Langfang Tianhai High Pressure Container Co., Ltd.; Beijing Jingcheng Machinery Electric Holding Co., Ltd.; and Beijing Jingcheng Machinery Electric Co., Ltd.

Disclosure and Public Comment

We will disclose to parties in this review the calculations performed in reaching the preliminary results within five days of publication in the *Federal Register* of these preliminary results.¹¹ Unless Commerce instructs otherwise, interested parties may submit written comments (case briefs) on the preliminary results no later than 30 days from the date of publication of this notice in the *Federal Register*, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.¹² Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹³

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to the issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.¹⁴ Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁵ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

¹¹ See 19 CFR 351.224(b).

¹² See 19 CFR 351.309(c)(1)(ii) and (d)(1); and 19 CFR 351.303 (for general filing requirements).

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁴ See 19 CFR 351.310(c).

¹⁵ See 19 CFR 351.310(d).

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, no later than 120 days after the date of publication of this notice. These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: August 7, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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